

PART 1942 - ASSOCIATIONS

SUBPART A - COMMUNITY FACILITY LOANS

1942.1 - General

This instruction supplements RD Instruction 1942-A, RD Instruction 1942-C (Fire and Rescue) and RD Instruction 3570-B (Grants), to assist in the orderly making and processing of loans and grants. Community Facility loans will be made and processed by the Rural Housing Service (RHS).

1942.2 (a) - Preapplications

The materials listed on Guide 1 and Guide 2 will be used to make the eligibility and environmental determinations.

1942.2 (c) - Applications

Loans to tax exempt public bodies will be developed using Guides 1 & 3, Attachments A and B or C. Loans to other than public bodies will be developed using Guides 1 & 4.

1942.4, Borrower Contracts

Form RD 1942-19, Agreement for Engineering Services, or "AIA Document B141-1997, Standard Form of Agreement Between Owner and Architect With Standard Form of Architect's Services." with RD Instruction 1942-A, Guide 27, Attachment 1 to AIA Documents, will be used.

1942.8 (a) - Mortgages

The loan application will include the form "Rural Development Representations for Loan and Authorization to File A Financing Statement and Related Documents" to be completed and signed by the applicant's authorized representative(s). "UCC Financing Statement Standard UCC-1/CNS-1", and North Dakota, "UCC-1Ad, Financing Statement Amendment" will be filed in the County Recorder's Office with the UCC records maintained by the Secretary of State to perfect an Assignment of Income and/or to take chattel property as security. For fixtures on real estate North Dakota "Financing Statement for Real Estate and UCC Filing/UCC-1A", containing the legal description of the real property in Section G, should be filed with County Recorder in the county the real estate is located in. The appropriate Security Agreement will be used. For Real Estate Form RD 1927.1 ND (Rev. 5-99), Real Estate Mortgage for North Dakota, will be used.

1942.9 (b) - Contract Approval

Guide 5, Contract Document Instruments, will be used for all projects. Four copies of Guide 5 will be completed and submitted to the State Office. All contracts will be concurred in by the State Director or designee. Copies will be distributed by the State Director.

1942.17 (p) (5) - Payment for Construction

Form RD 1924-18 (Rev. 6-97), Partial Payment Estimate, with Attachment A or B will be used for all projects. Partial Payment Estimates must be approved by the governing body and Rural Development.

1942.17 (q) (1) (ii). Audits

The borrowers accounting system, financial reporting systems and auditors agreement will be approved by using Exhibit 1.

Attachments: Guide 1 with Attachment 1, Guide 2, Guide 3 with Attachments A, B, and C, and Exhibit 1.

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DISTRIBUTION: S

Loan and Grant Making
Associations

Sheet 1

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